

VZCZCXRO8967  
RR RUEHMA RUEHPA  
DE RUEHCO #0620 2251225  
ZNR UUUUU ZZH  
R 131225Z AUG 07 ZDK  
FM AMEMBASSY COTONOU  
TO RUEHC/SECSTATE WASHDC 9760  
INFO RUEHZK/ECOWAS COLLECTIVE  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC  
RUEHFR/AMEMBASSY PARIS 1142  
RUEHDK/AMEMBASSY DAKAR 1387  
RUEHLO/AMEMBASSY LONDON 0320  
RUEHKM/AMEMBASSY KAMPALA 0147

UNCLAS COTONOU 000620

SIPDIS

SENSITIVE  
SIPDIS

DEPT FOR AF/EPS: KRZYWDA, AF/W: BANKS, EB/TPP/ABT: LERSTEN  
DEPT PASS TO COMMERCE: MD'ANDREA AND USTR: AHEYLIGER/LAGAMA  
PARIS FOR D'ELIA  
DAKAR FOR FAS (RHANSON)  
LONDON FOR HAHN

E.O. 12958: N/A

TAGS: [ECON](#) [ECPS](#) [PGOV](#) [BN](#)

SUBJECT: BENIN: GOB TO SOLICIT BIDS FROM CELL PHONE SERVICE  
PROVIDERS

REF: A) Cotonou 525; B) COTONOU 447

11. SUMMARY: In an effort to resolve Benin's ongoing cell phone service crisis (Reftels A and B), the Government of Benin (GOB) has invited interested companies to submit bids for cell phone service. Pursuant to this bidding process, the GOB announced that it had signed a protocol agreement with the Nigerian company Global Communication (Global COM). Other companies have also submitted bids. At the same time, the Benin Provisional Post and Telecommunications Authority (BPPTA) has intensified its media efforts to educate the public about the cell phone service situation and to link it to the GOB's ongoing anti-corruption campaign. END SUMMARY.

12. On August 9, 2007, Mr. Romain Houehou, spokesperson for the Benin Provisional Post and Telecommunications Authority (BPPTA), reported that ten companies have responded to a government solicitation for bids for the provision of cell phone service. On August 10 the GOB announced that it had signed an agreement with the Nigerian company Global Communication (Global COM) to begin operating in Benin within two months. According to the Minister-Delegate for Communication and Information Technology Desire Adadja, Global COM was awarded the contract on the basis of a competitive bidding process. Under the terms of the agreement, Global COM will pay 33 billion CFA (69.2 million U.S. Dollars), payable in four installments. The GOB in turn agreed to waive three years of customs duties on any related telecommunications equipment the company may import, and agreed that Global COM may use facilities of Libercom, the government telecommunications parastatal, to begin providing service.

13. In the meantime, negotiations between the GOB and the two suspended cell phone service providers, Spacotel-Benin, of which Areeba is a part, and Telecel-Benin, formerly known as Moov, have come to a standstill. It appears that the main point of contention is the refusal of the two suspended companies to pay the licensing fee of 30 billion francs CFA. The BPPTA spokesperson has said that the two companies expressed a willingness to pay the licensing fee if in return the GOB were to grant them certain concessions, including waiving customs duties on imported equipment, but that the GOB has declined to grant such concessions.

14. COMMENT. The awarding of the contract to Global COM is a welcome development for Benin's weary and frustrated cell phone users, although its full effects will probably not be felt for several months. The GOB continues to take a hard-line approach to the suspended cell phone providers, despite the hardships to consumers

that the resulting shortage of cell phone service has brought about.

Despite these hardships, the majority of the Beninese public appears to still support the GOB's approach, which is seen as part of the Yayi Government's overall crackdown on corruption. The GOB continues to make this linkage in its media outreach. END COMMENT.

LAUTERBACH